

# Central Arizona Project

## Strategic Plan Stakeholder Input

March 2020



A PART OF





## Stakeholder Input

Central Arizona Project (CAP) hosted three stakeholder input sessions in March 2020 to gather feedback for CAP's strategic planning process. On March 3<sup>rd</sup>, a session was held at CAP Headquarters, attended by 18 stakeholders. A session was held on March 4<sup>th</sup> in Tucson at the University of Arizona campus, attended by 14 stakeholders, and a session in the Drury Hotel in Tempe was attended by five stakeholders.

The Novak Consulting Group facilitated the sessions using a World Café methodology. This facilitation methodology involves structured conversations among participants. The room was organized in round tables; each table focused on a different topic and included a set of questions about the topic. Participants were invited to start at one table and move to two other tables during the session, so they had the opportunity to engage in three different conversation topics of their choosing. The topics included CAP Organization, CAP Key Results Areas, The Future, and Service to Stakeholders.

Each table had a set of questions about the topic that participants considered and discussed with others at their table. The table designated one participant to write down all comments made during the conversation. Each "conversation" lasted approximately 20 minutes.

At the end of the session, participants returned to their original table, spent a few minutes reading all of the comments written from the previous conversations, and each table shared key themes with the full group.

Due to the small number of participants, the session in Tempe was held as a focus group. For all three sessions, the same questions were asked of each group.

The following information reflects the comments received by participants in the sessions; the majority of these comments were written by participants as part of their table conversations. A discussion of the key themes will be included at the Board's next Strategic Planning Retreat.

## CAP Organization

Stakeholders were asked to respond to three questions based on their experience with services provided by CAP.

### 1. CAP is relied upon to...

- Consistently deliver high-quality water from the Colorado River in a cost-effective manner
- Advocate for and protect the interests of the CAP water users
- Clearly communicate services, usage, and updates to CAP water users
- Maintain the aquifer
- Deliver water from the Colorado River to its subcontractors in a cost-effective manner
- Consistent, quality, cost-effective water
- Deliver a high-quality water source
- Be a collaborative partner, conveying Arizona's interests in the broader Colorado River Basin discussion
- Support state leadership
- Deliver water
- Pay the Feds
- Maintain infrastructure
- Deliver water reliably and cost-effectively
- Make repayment to the United States for CAP
- Maintain infrastructure
- Provide opportunities to move non-Project water
- Protect the interests of all CAP water users
- Optimize the use and delivery of Arizona's remaining Colorado River entitlement
- Protect the integrity/reliability of the CAP water supply
- Tribal water allocations
- Be fair
- Provide sustainable quality water for future generations
- Clear communication of services
- Timely online CAP usage and updates
- Providing clean, reliable water
- Do their job as efficiently and effectively as possible

### 2. From your perspective, what does CAP do well?

- Offers an opportunity for input through stakeholder engagement, education, and outreach
- Maintains reasonable and stable water rates
- Effectively operates the canal and provides reliable water service
- They operate the canal and do that well
- Very transparent
- Control center communication
- Yearly maintenance
- Tribal communication (tours, presentations, etc.)
- Providing more stakeholder meetings to allow input and conversations
- Delivery of H<sub>2</sub>O on canal

- Public/customer outreach
- Offer opportunity for input
- Ability to bring people together to tackle issues
- I like the representation of the Board and how they've been better at communicating with their stakeholders
- Complex water order scheduling
- Meeting changing needs of customers
- Balancing the water needs of all customers
- Maintaining reasonable and stable water rates
- Letting users know of upcoming maintenance/outages
- Staff interaction
- Provide reliable service
- Affordable water
- Communication to stakeholders
- Events
- Friendly staff
- Provide speakers
- Education

**3. As a stakeholder of CAP, what do you see as the major challenges facing CAP?**

- Continuing to deliver high-quality water in changing conditions – drought, climate change, aging infrastructure, etc.
- Conflicting goals and user priorities with a scarce resource
- Building stakeholder understanding and support for future activities and needs
- Having product to deliver
- Internal management of reserves and allowing other flows of system conservation to come in, and different avenues that are difficult to control
- Inherent conflict of interest between serving contractors and subcontractors and the replenishment obligations
- Recovery of AWBA credits
- Maintaining water quality in the canal
- Climate change
- Drought
- Addressing user priorities
- User voices
- Disasters affecting delivery
- Local water availability during outages (San Xavier)
- Salinity control
- Board understanding cultural values of water
- Provide more focus on OMR to maintain reliability into the future with aging infrastructure
- Follow up on quotations, surveys, public outreach could be better/timelier
- Apathy with general public
- Educate public on H2O use, efficiency, highest and best use
- Community events/education outside of the usual groups, places, etc.
- Statewide politics need more allies

- Balancing competing stakeholder priorities
- Uncertainty on the Colorado River, possibility of deep or prolonged shortages
- Structural deficit
- Reconsultation of 2007 guidelines
- Infrastructure needs for an aging system and getting ahead of this to communicate costs to customers
- Succession planning for retirements
- Managing CAGR D's obligation
- Managing supply
- Political pressure and challenges from other states (California) – awareness
- Evaporation
- Water quality

## **CAP Key Results Areas**

Next, stakeholders were asked to reflect on the 2016 CAP Strategic Plan, which included six Key Results Areas: Leadership and Public Trust, Finance, Project Reliability, Water Supply, Power, and Replenishment.

### **1. Do these six areas of focus align with today's needs?**

- Potentially, but there needs to be more definition around what each of the focus areas relates to
- Focus areas need to be on reliable delivery, infrastructure maintenance, and efficient use of funds – some concern that the focus areas exceed the mission of the organization
- Positive progress has been made in each of the key results areas
- I think so. The power one with the generator station has evolved, but power is still important
- Still pertinent
- Main areas still apply but require revision in the description. They align with leadership goals.
- The titles should be more specific – phrases, rather than just words (e.g., what is meant by “water supply”
- Focus on the mission and water delivery
- CAGR D should be separate from CAP/CAWCD – if this happens, there is no need for replenishment
- Stick to the key areas of reliable delivery, efficient use of funds, maintaining infrastructure
- Your vision sounds more like your mission
- The six areas exceed the needs of the Project
- Should replenishment be a key results area, or is it a distraction from the mission?
- Should power be a key results area, given the closure of the NGS?
- Leadership/Trust: Board has been engaging with public, increasing profile -> positive action
- CAP university = increased outreach -> positive action
- Finance: Stakeholder roundtable in budget process is a positive development (e.g., increased scenario planning, transparency regarding O+M increases is helpful for stakeholders, increased receptiveness to stakeholder input has been helpful)
- Reliability – focus on proactive maintenance must continue and accelerate if possible
- Supply – Consistent communication has been very positive
- Project Reliability: water quality (salinity) environmental concerns (not to degrade over time)
- Research and development for future

### **2. Are there other areas of focus that CAP should consider in order to address future challenges?**

- CAP could facilitate cooperative agreements amongst water users (similar to exchanges)
- CAP could have a separate stakeholder process to focus on individual and joint tribal issues
- Potential focus areas include water quality, conservation, climate change, disaster planning, and sustainability
- Not really clear what those terms mean
- Recovery
- Non-Project water
- Portal for water quality data and input
- Facilitate cooperative agreements among state customers like exchanges
- Create separate tribal stakeholder process with focus on individual and joint tribal issues
- Water quality
- Conservation
- Research and Development
- Climate change
- Disaster planning (communication on what that is)
- Environmental benefits of CAP delivery (i.e., recharge, riparian restoration)
- Interconnection of systems with SRP?
- Coordination of other distribution systems
- Recognition of CAP's changing role as a maintenance organization and how that affects the role within state policy
- No – more important to focus on the primary mission
- Trying too hard to do too many things can distract from what's really key
- Consider sustainability, climate change, variability in supply vs. just water supply
- Other avenues of system conservation
- Legal authorities may pose limits on additional opportunities

**3. What opportunities do you see to advance these Key Results Areas?**

- Focus on educating the general public, in addition to water users and other traditional stakeholders, especially with regard to conservation messaging
- Improve external communication of CAP's desired results, progress reporting, and partnerships
- Could do a better job with education of general public – not necessarily stakeholders
- People don't know as much as they'd like to, and it's a major issue here
- Energy: renewable energy (future technology to address climate change)
- Finance: funding sources
- Leadership and Public Trust: Tribal representation, recognizing the cultural significance of water to tribes
- Water Supply: Conservation, future tribal water allocations
- Colorado River Guideline Negotiation: Conservation, Shortage Plan
- Should take an interest and consciously study conflicts between Key Focus Areas (replenishment – at the time that they received the obligation, didn't have the conflict, but now this conflicts with project reliability and availability)
- Conservation messaging – reducing water use in municipalities, long-term water reductions. Not sure how much focus is given to climate change
- Continuing proactive O&M of CAP
- Be clearer about what CAP wants to accomplish in key results
- Have annual or biannual progress reports – set clearer milestones – measure progress on key results

- Continuing to ask for input with stakeholders through this process
- Need more regional partnerships and specifically identify those in the plan
- Needs more collaborative tone
- More transparent with the public
- Not sure if we understand the question
- In leadership/trust, less staff filtering for Board consumption

## The Future

Stakeholders were asked to think about the future of CAP ten years from now and beyond.

### 1. What is true about CAP that you hope will still be true in 10 years?

- CAP will still be delivering high quality, Colorado River water in a cost-effective way
- CAP's infrastructure will still be well-maintained, with data-driven and proactive maintenance
- Effective collaboration, resource use, and repayment of federal debt
- They have water to deliver
- They'll be financially stable and will repay their debt
- They will maintain their system
- Still delivering Colorado River water
- Still affordable
- Continue data-driven, proactive maintenance and upgrades on canal/infrastructure
- Continue stakeholder meetings and trend of improved communication
- Work with other water agencies/entities
- Paying off the federal debt
- Low energy rates
- Water availability
- Open to facilitating and receiving stakeholder input
- Coalition building around conservation (tribal, state, private, City)
- Reliable water delivery infrastructure and funding
- Independent of the state
- Elected Board, not appointed
- Sharing information/data on the system and Colorado River
- Maintain high priority water structure as is
- Participation in atmospheric science research
- Continue evaluating desalination options
- Continue to award scholarships to up and coming water professionals
- Maintain high-quality staff through appropriate compensation
- Effective budgeting and financial management

### 2. What is something about CAP that is not true today that you hope will be true in 10 years?

- Increased transparency related to rate setting, funding decisions, and long-range planning
- More focus on water and energy conservation, including decreasing the CAP's carbon footprint
- Increased inclusion and representation of the governance structure
- The future is clear – less uncertainty

- The CAWAD would have a governance structure that is representative of its customers, inclusive of contractors and subcontractors
- More incentives to conserve water
- Allow tribes to transfer water to different management areas
- Increase efforts to decrease carbon footprint/move to renewable power (workforce development for renewable power)
- Continual increase in repayment use of taxes (10 cent tax)
- Separate CAGR from CAP delivery/CAWCD duties
- More transparency in the process of setting rates and fees
- Ex-officio member from a tribal CAP customer/water rights holder
- A renewed focus on the primary mission for CAP, rather than “how can we help?” Focus on the delivery of water
- More exact understanding of the costs and expenses and how they are paid for – in other words, how they affect the final OM&R rate or if they should be paid by taxes
- Many issues get debated over and over again by the Board – would be helpful to have better defined policies
- More long-range planning rather than reactive or trying to keep lots of flexibility – constant readjustment
- Provide more predictions and long-range planning
- When starting or funding an initiative, show how it’s connected to CAP’s enabling statutes
- Greater certainty on the Colorado River with long-term agreements and operating guidelines
- Tribal representative on Board
- Plan for future recovery infrastructure

**3. What policies/initiatives do you want the Board to consider as part of this Strategic Planning Process?**

- More stakeholder inclusion opportunities in this process and others, particularly for the tribes (consider reinstating the tribal liaison role), other water users, and contractors
- Focus on the primary mission of CAP
- CAP needs to consider that they don’t speak for all Colorado River users in the state; the river is in danger, and they are not the party that should represent the state, since they don’t represent everyone, and in some cases, some of the people that CAP represents are in conflict with others, which can lead to a schizophrenic approach
- Need to understand who they represent and who they cannot speak for
- Historically, CAP has presented itself as Arizona, and there are a lot of users that they don’t have anything to do with; the thing that you hear all the time is that AZ is a drain on the river, which isn’t true, but CAP keeps repeating it
- More inclusion of the tribes in these types of discussion – can’t continue to blame tribes for not being present (which is a factor) – two-way street, and CAP should do more to build relationships and establish trust, both with tribes that are on the system and not
- We all affect each other, and more inclusion would be good; not just that tribes have a large allocation, but also equity concerns and historic knowledge; CAP has made progress in recent years, but it needs to be a larger point of interest
- Repayment funding
- Increase use of 10 cent tax for repayment of federal debt
- Possibly reviving the tribal liaison to be a voice for the tribes

- More transparency
- Reconsider charging fixed OMR for water not actually delivered to the system
- Facilitating conversations with contractors to meet water needs
- Focus on the basic mission
- Decide how CAGR really fits in overall CAP mission – not keep hoping the issues will go away
- Greater inclusion of stakeholder input
- Greater tribal outreach
- Consideration of process for system conservation at levels below 1075
- Consider international frameworks
- Closer cooperation/relationship with Yuma water users

## Service to Stakeholders

Lastly, stakeholders were asked to focus their responses on their experience with CAP.

### 1. How have you seen customer service improve since the Customer Service Task Force process?

- Several of us were unaware of the Customer Service Task Force
- Staff are accessible and effective – willing to listen, understand the issues, have been more proactive
- Some additional events and public outreach efforts in different parts of the service territory, which is positive
- Have been some additional efforts – have hired additional people for public relations and have divided them up among the service territory
- Roundtables
- Outreach improved
- Intro of electronic blue cards
- Staff more willing to listen and understand issues
- Siphon event was nice
- Email and social media communication is improved
- Did not know there was a Customer Service Task Force; what customer service are they referring to?
- Finance, Water Quality, Operation, Stakeholder Initiative, and Roundtable
- More stakeholder information being passed to the Board
- Receptiveness of most Board members has improved
- Sensitive staff relationships continue to improve
- Staff is accessible and willing to speak/give updates at events

### 2. How could CAP continue to improve its communication with stakeholders?

- Engage more deeply and at different phases of projects and initiatives – not just before a proposal or project has been developed
- Reestablish tribal liaison position
- Increase individual and focus group meetings with specific stakeholder representatives (cities, farmers, tribes, etc.)
- Consistent messaging/advertising with stakeholders and the public
- Good at engaging at the 30,000 foot level rather than at the 5000 foot level, where there are actual controversies (use of property taxes to repay federal debt, the way that they structure

capital charges, the way they engage tribes, the way conservation issues are decided, the way ICS decisions are made, etc.)

- Interaction with their stakeholders on specific issues is very limited, so question whether they actually want to engage on those issues
- Quantity of engagement has improved, more events, but the structure of the events is designed to scratch the surface, rather than dig in
- Send out information, like the fact that they instituted a Customer Service Task Force, when it happens
- Have more individual stakeholder meetings (tribes, farmers, cities, etc.)
- Have a tribal liaison of some sort – like Katosha Nakai used to do
- Complete data availability related to the Water Quality Task Force
- Improve direct engagement with the public
- Finance stakeholder roundtables that accept input
- Follow up with contract holders and stakeholders regarding input
- It would be more helpful to have a more interactive discussion; status quo is that they reach out with an event prior to creating something and reach out at a high level only; feels like decisions are made before the outreach is conducted; outreach may not change the decision
- Questions and answers solicited by the questions can be interpreted in a lot of ways and aren't specific to actual policies; not really an interaction; in some ways, it is partially Board driven, some of it is the staff, but some of that has improved and people have been forced to improve
- Staff is very knowledgeable, but expertise is wielded in a way that feels like, "We know what's best," and decisions are made from there, rather than, "Here are some models, and we need your input on what works best for our group/region"
- Need more of a back and forth on policy decisions that bring different values to the table; we're sharing a limited resource, and we need to keep equity in mind; if there's only one measure and it's CAP's measure, you'll have a lot of unhappy people; may need outside perspective, as well as stakeholder
- Board might be better if it were more districted – represent more economic areas than what's currently represented
- Continue to explore options for effective outreach
- Shorten the Board meeting
- Reach out more often to stakeholders on issues of most importance to them – especially on action items
- Minimize surprises (\$\$)
- Transparency
- Marketing and advertising
- Institutional advertising
- Message consistency among staff
- Allow more time for stakeholders to review/process proposals or changes
- Ensure external messaging aligns with direct stakeholders (e.g., GRD advertisement)
- More education to the electorate before election season

### **3. What other customer service needs should CAP address?**

- Communication and coordination between different stakeholder groups
- Increase public and stakeholder communication and education
- Define customer and stakeholder groups

- Would like to see more focus on climate change and sustainability, more frameworks around their plans
- Work to put on webinars with U of A – would be great to do something more widely advertised than just to the water community
- Symposium to invite stakeholders both inside and outside of the water community to educate and encourage discussion
- Clarify the distinction between GRD and CAP messaging/communication
- Focus communication on non-rate paying water stakeholders, e.g., tribes, USBR
- Outreach to incoming residents, possibly with realtors
- Not involved with CAP customer service on a regular basis
- Publicize the annual report
- Provide a data portal for CAP and customize water quality data to be presented
- Complete Water Quality Task Force Implementation Plan
- Reach out to industry through GPAC
- Discussion of who the customer really is
- Customer service focused directly on contractors and others that receive Colorado River water
- Focus more on concerns and issues of M&I and tribes – less on CAGR
- Define who is the real customer of CAGR (homeowners? Builders? Developers?)